GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1169
ANSWERED ON:29.11.2006
ALLOTMENT OF COAL BLOCKS TO PRIVATE COMPANIES
Mehta Shri Bhubneshwar Prasad

Will the Minister of COAL be pleased to state:

(a) the number of Coal Blocks handed over to private companies since 1991;

(b) the number of such blocks which started coal production;

(c) the number of coal blocks which did not start production;

(d) the measures proposed to be taken by the government in respect of those coal blocks which have not become operational even after passage of sufficient time;

(e) the time by which action is likely to be taken in this regard; and

(f) if so, the details therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a): 55 Coal blocks have been allocated to private sector companies, so far.

(b): Production has commenced in 8 coal blocks.

(c) to (f): Development of coal blocks involves a gestation period of about 3 to 5 years to reach production stage and about another two years to reach its optimal production capacity. Progress of development of captive mine and the end use plant by the allocatees of coal blocks is regularly reviewed in the Ministry of Coal at the level of the Additional Secretary (Coal) in which the representatives of the related Ministries Departments and concerned State Governments also participate.

The allocatees are in various stages of development of coal blocks and installation of their end-use projects. As per the terms and conditions of the letter allocating a coal block in favour of a company, a block is liable for cancellation for unsatisfactory progress in implementation of end-use plant and in development of coal projects as well as for breach of any of the conditions of allocation mentioned therein. So far five coal blocks have already been deallocated. The Government has taken the following steps to ensure timely and proper development of captive blocks:

i) Regular monitoring through the Coal Controller`s Organisation.
ii) Periodic review at the Ministry level where other related Ministries/Departments and concerned State Governments are also represented.
iii) Enforcement of the terms and conditions of mining lease by the State Governments.
iv) Specific milestones have been laid down for completion of various activities in the development of coal blocks.
v) A system of bank guarantee has been introduced to ensure optimal production of coal as per the approved mining plan.